

*Adjournment Debate*

tiators of the free trade agreement have warned, and we saw this a few weeks ago in the papers, that Canada may have to terminate the deal unless the U.S. violations of these rights stop.

I am mad because all along we have said that this is a bad deal for Canada. The fact is that the government did negotiate the deal, and unfortunately it favoured American interests over Canadian. The fact is that we have an agreement. We are going to have to live with it and we are going to have to stand up more to the Americans as they violate this agreement.

While we try to make the best of a bad deal, on the infrequent occasions when the deal actually benefits some Canadian companies the Americans try to undermine any advantage we have. The point is that we do not have to let them get away with it. The Prime Minister has said that he has a very good relationship with the President of the United States. I asked on that date that the Prime Minister use that relationship to tell the American president to live by the spirit of the free trade agreement.

We have to challenge the Americans and let them know that they cannot push us around in the trade area. We must act now and stand up to them. I do not mean by carefully phrased warnings by the Prime Minister. I mean by a tough unequivocal position so that the Americans will realize that good relations between two countries are not a given and that they should not be taken for granted.

Remember that the longer we allow the Americans to renege on their commitment to free trade, the more vulnerable Canadian outputs and jobs will be to American competition. In respect to the pork producers, they have been continuously harassed by unfair American countervailing duties which are a blatant violation of the free trade agreement. Just when our pork producers thought that their trade problems were over, considering that two trade tribunals ruled against the American countervailing duty, they have once again been harassed by the Americans. I am wondering if this is ever going to stop.

I call again upon the Prime Minister to let the Americans know that Canada will not roll over and play dead on this issue.

**Mr. Lee Clark (Parliamentary Secretary to Minister of the Environment):** Mr. Speaker, I am very pleased to

have the opportunity to respond this evening and to talk a little bit about the trade agreement and the countervailing duty on hogs. We have to point out to the hon. member that countervailing duties have been taking place since 1984, which was well before the free trade agreement was established. The only process to go through at that time was the GATT, and we know how prolonged that was.

The free trade agreement has at least allowed us a timeframe that is more acceptable to live with these actions that have been brought against our Canadian pork. On swine and pork imported from Canada in 1984 and in 1985 there was a countervailing duty of 4.39 cents Canadian per pound.

On live swine, again it is true that since October 1991 the countervailing duty for 1989-90 has been raised to Canadian 9.32 cents per pound, a 107 per cent increase from the last review.

The government is reacting to those actions along with the industry. We have stood consistently with the industry in all these actions that have been taken, and we will continue to do that.

Following an investigation on pork, the U.S. imposed a countervailing duty of 3.6 cents Canadian per pound on imports of fresh chilled and frozen pork from Canada in September 1989. This action has led to a three-panel request from Canada. A free trade chapter 19 panel on the subsidy finding led to a reduction of the duty from 3.6 cents Canadian a pound to 1.4 cents Canadian a pound. If we had had to work without the free trade agreement we would have had a lot of difficulty and we would still have been with the original figures rather than that reduction.

The chapter 19 panel on the question of injury to the U.S. pork processing industry reversed the U.S. International Trade Commission finding that Canadian pork exports to the U.S. were causing injury to the U.S. industry. As a result of these successful challenges under the review mechanism established by the free trade agreement, the countervailing duty on pork was removed and all duties refunded. I think that has been very successful. We have a mechanism in place to look after these challenges.

In addition, the GATT panel request by the federal government found that the U.S. did not act consistently with its obligations under the GATT in deeming that